



PRUDENTIAL SECURITIES LIMITED

FINANCIAL MARKET RESEARCH REPORT

FOR THE MONTH ENDING **APRIL 2023**

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HIGHLIGHTS OF GOG SECURITIES MARKET ENDING APRIL 2023

In the month of April, interest rate on Government of Ghana Treasury bill securities increased across the 91 Day, 182 Day, and 364 Day tenures as the Government exceeded its total auction target of GH¢ 6,729.00 by 15.58 percent.

Interest rates on 91 Day Bill and 182 Day Bill increased from 19.39% and 21.86% at the start of the month to close the month at 19.86% and 22.58% respectively, representing a month-on-month gain of 47 bps and 72 bps in that order.

In addition, interest rates on 364 Day Bill increased from 26.96% to 27.26%, indicating a month-on-month gain of 30 bps.

Securities	Month Close	Month Open	Change	YTD
	28-04-23	03-04-23	Bps	%
91 Day T/Bill	19.86	19.39	+47.0	-43.8
182 Day T/Bill	22.58	21.86	+72.0	-37.2
364 Day T/Bill	27.26	26.96	+30.0	-24.1

Source: Bank of Ghana

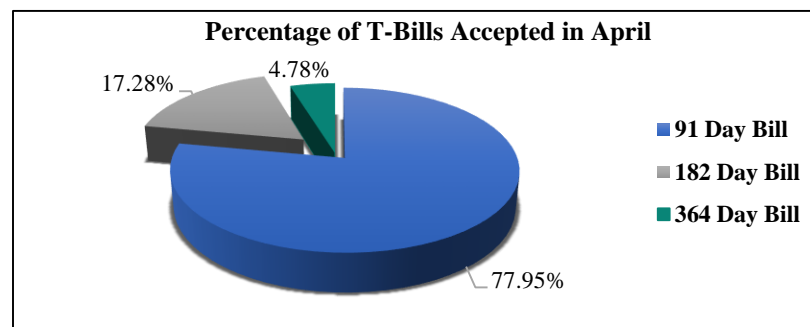
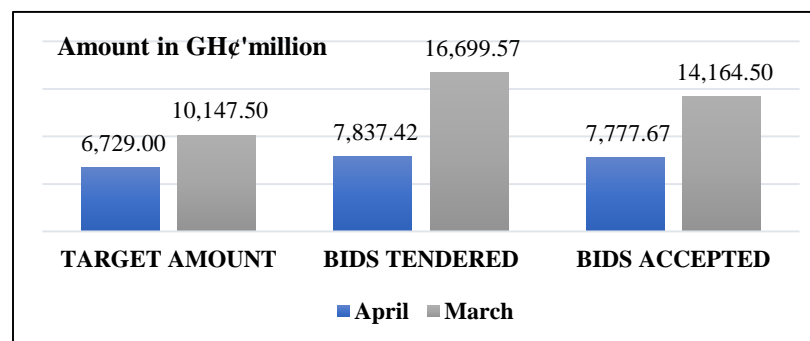
AUCTION RESULTS

During the month, total bids tendered in by investors amounted to GH¢7,837.42 million of which government accepted GH¢7,777.67 thus exceeding the total auction target amount of GH¢6,729.00 million by 15.58% for the month of April.

See table below for a breakdown of auction results

Securities	Amount Tendered GH¢ million	Amount Accepted GH¢ million
91 Day Bill	6,075.31	6,062.31
182 Day Bill	1,363.59	1,343.96
364 Day Bill	398.52	371.40
TOTAL	7,837.42	7,777.67

Source: Data compiled from Bank of Ghana



Source: Data compiled from Bank of Ghana

HIGHLIGHTS OF THE FOREX EXCHANGE MARKET ENDING APRIL 2023

On the forex market, the Ghana cedi showed mixed performance against the major trading currencies during the month.

The Ghana cedi gained grounds against the US Dollar as it appreciated marginally by 0.56% from GH¢11.0137/USD to settle at a trading price of GH¢10.9516/USD. Thus, reducing its year-to-date loss from 22.13% in March to 21.69% in April.

On the other hand, the value of the cedi depreciated marginally by 0.97% against the British Pound. The cedi closed the month of April with a trading price of GH¢13.76/£, compared with GH¢13.6297/£ at the start of the month, increasing its year-to-date loss from 24.34 percent to 25.07 percent.

Also, the cedi depreciated marginally against the Euro by 0.97% to closed the month at a trading price of GH¢12.0876/€, compared with GH¢11.9716/€ at the start of the month, thus increasing its year-to-date loss from 23.61 percent to 26.34 percent.

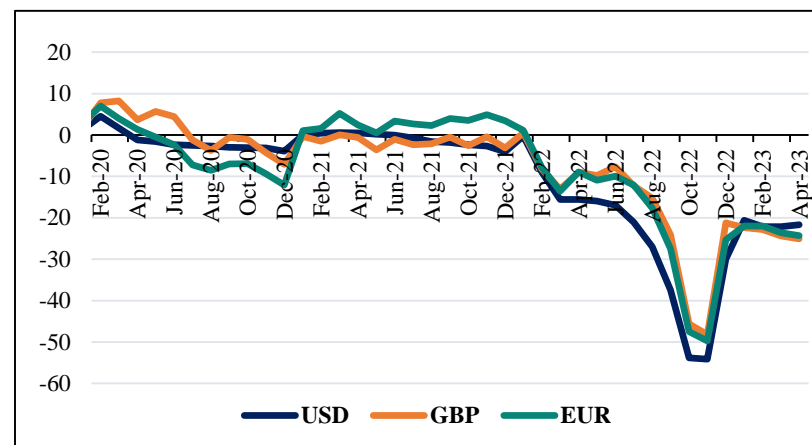
See the table below for a summary of the Interbank FX rates.

BOG Midrate

Currency Pair	Year Open	Month Close	Month Open	YTD %
USD/GH¢	8.5760	10.9516	11.0137	-21.69
GBP/GH¢	10.311	13.7624	13.6297	-25.07
EUR/GH¢	9.1457	12.0876	11.9716	-24.34

Source: Bank of Ghana

PERFORMANCE OF GHANA CEDI vs MAJOR TRADING PAIRS (YEAR-TO-DATE)



Source: Bank of Ghana

HIGHLIGHTS OF GLOBAL CURRENCY PAIRS

	Current Value	1 Mth (%)	3 Mths (%)	6 Mths (%)	YTD (%)
Euro/US\$	1.10	1.7	1.4	11.5	2.9
Euro/GBP	0.88	-0.3	-0.6	1.7	-1.0
Euro/Swiss Franc	0.99	-0.7	-1.0	-0.4	-0.4
US\$ /GBP	0.80	-1.8	-2.0	-8.7	-3.9
US\$ / Canadian \$	1.36	0.3	1.8	-0.5	0.0
US\$/Yen	136.30	2.6	4.8	-8.3	4.0

Source: Bloomberg & Invesco

HIGHLIGHTS OF THE STOCK MARKET ENDING APRIL 2023

The GSE-Composite Index remained in its positive trajectory as it recorded 2,741.46 points and a year-to-date return of 12.18 percent. This significant performance can be attributed to strong financial performance posted by the non-financial stocks which led to price appreciation in stocks such as TOTAL, BOPP, and MTNGH.

On the other hand, the GSE-Financial Stock Index remained bearish as the negative impact of the Domestic Debt exchange continue to affect the performance of the banking stocks. The GSE-FSI closed April with 1,758.28 points and a year-to-date loss of 14.34 percent.

Top Gainers (April 2023)

STOCKS	PRICE (GH¢)	YEAR-TO-DATE
BOPP	14.11	84.44%
TOTAL	6.42	60.50%
MTNGH	1.26	43.18%
UNIL	4.80	23.71%
TBL	0.82	2.50%

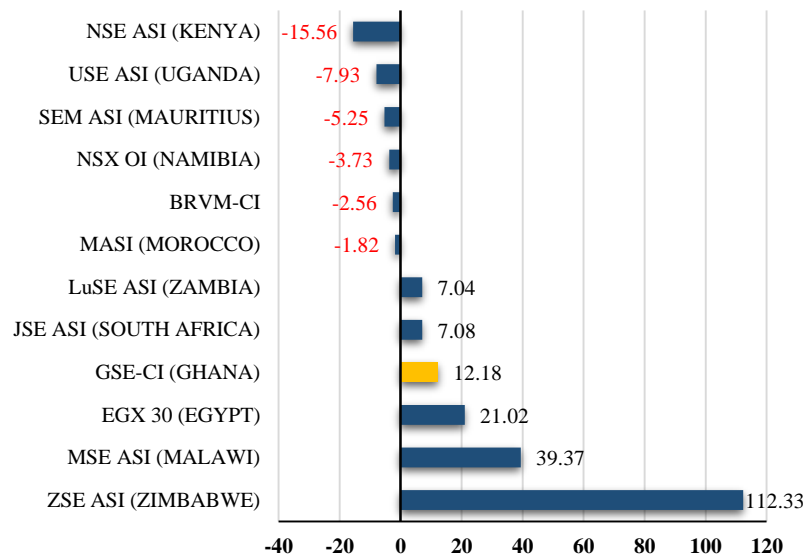
Top Losers (April 2023)

STOCKS	PRICE (GH¢)	YEAR-TO-DATE
FML	1.06	-64.67%
SOEGEH	0.62	-38.00%
GGBL	1.50	-26.83%
SCB	15.40	-23.61%
CAL	0.50	-23.08%

	MARCH	APRIL	YTD
GSE-CI	2,745.33	2,741.46	+12.18%
GSE-FSI	1,806.67	1,758.28	-14.34%
Market Cap (GH¢)	67,082.83	68,278.45	+5.85%
Volume Traded	173,658,609	186,888,644	-
Value Traded (GH¢)	167,969,700	206,364,155.69	-

Source: Ghana Stock Exchange

GSE-CI vs SOME SELECTED AFRICA STOCK MARKET



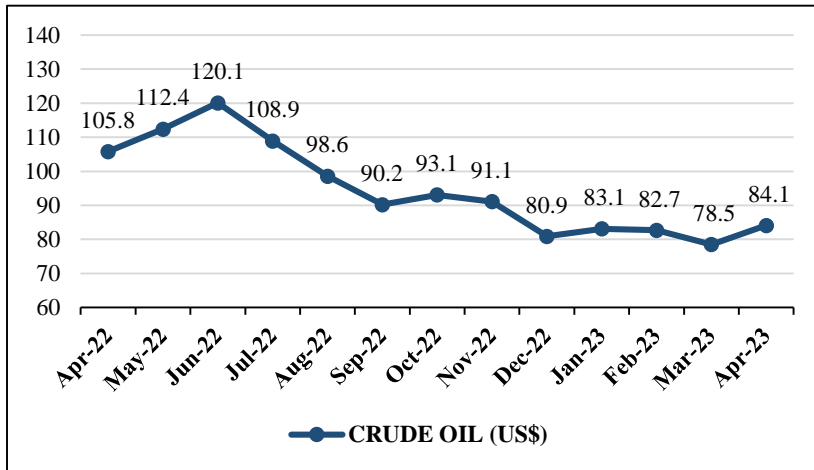
Source: African Markets

HIGHLIGHTS OF THE COMMODITY MARKET ENDING APRIL 2023.

Crude Oil (Brent)

Prices of Crude Oil (Brent) rose by 7.13 percent from US\$78.5 in March to US\$84.1 in April.

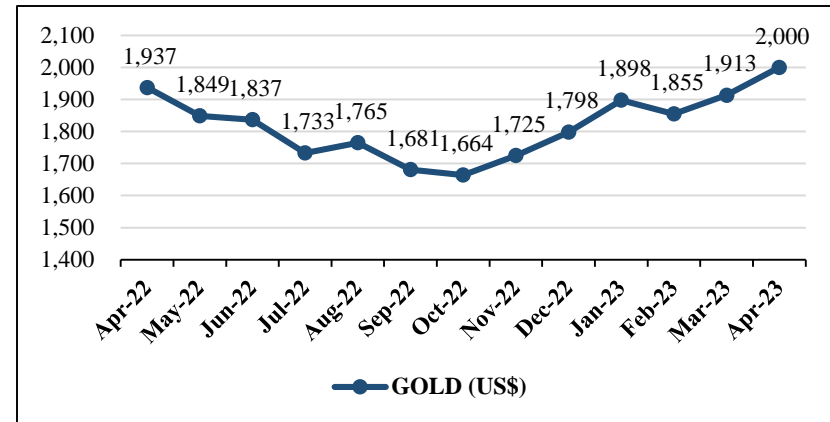
Oil prices increased after energy firms posted positive earnings and also due to the decline in crude oil production while demand for fuel was rising.



Gold

Gold prices surged in April 2023 as weaker US economic data increased expectations on a slowdown in interest rate hikes, while the threat of a mild recession also drove investors to the safe-haven metal.

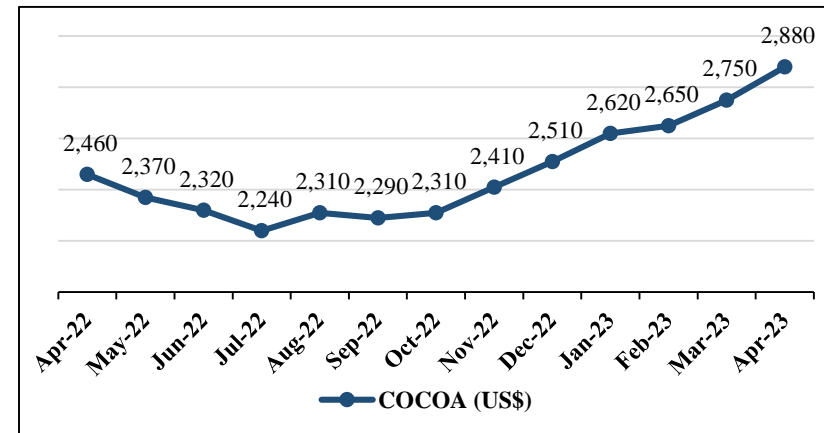
The price of Gold increased by 4.55 percent or US\$87 from US\$1,913.00 per ounce in March to US\$2,000.00 per ounce in April 2023.



Cocoa

Prices of Cocoa bean increased by 4.73 percent or US\$130.00 from US\$2,750 per tonne to US\$2,880 per tonne in April 2023. Prices of cocoa has appreciated by 9.92 percent since the year began.

During the period, information on the improvement of the global macroeconomic outlook caused prices of cocoa to surge.



Source: World Bank Commodity Market

HIGHLIGHTS OF INTERNATIONAL MARKETS AS AT APRIL 2023.

Europe

Inflation in the region increased marginally in April, despite predictions pitching it to be flat. Eurozone recorded an inflation rate of 7% in April, up from 6.9%. Germany saw its lowest level of inflation for more than a year, while in Italy and Spain, it picked up more than expected.

European Central Bank (ECB) officials have indicated that they do not expect to stop raising interest rates until underlying inflation declines significantly.

The UK

UK GDP was flat between January and February, below the consensus forecasts of a 0.1% growth and was heavily impacted by strikes in the service sector. The UK economy is now above pre-covid levels following a revision of its economic data. The International Monetary Fund (IMF) has forecasted the UK economy to decline by 0.3% in 2023.

The US

In the United States, the Silicon Valley Bank (SVB) crisis and persistent inflation, drove down investor confidence.

Silicon Valley Bank's (SVB) collapse was driven by \$42 billion worth of its deposits being withdrawn in one day. SVB had most of its deposits invested in long-dated securities, which had lost value because of the hikes in interest rate by the Federal Reserve (Fed).

Asia

Asia's stock market improved in March with China, Korean and Taiwan being the leading contributors. The positive performance in the Asian market was due to an increase in investors' confidence as troubles in the banking sector had limited impact on Asia's market.

Taiwan and Korean markets were supported by signals from the US Federal Reserve that it was toning down their stance towards inflation. The Fed suggested its aggressive pace of interest rate rises might soon be over.

Chinese equities ended the month higher, as a result of Beijing's further support for the internet and gaming sectors.

Emerging Markets (EM)

In the emerging markets, Asia had the best performance, followed by Latin America, Europe, the Middle East, and Africa (EMEA). Initially, issues in the banking sector affected markets in EMEA, but the news of Credit Suisse's merger with UBS helped calm investor concerns.

Latin American stocks underperformed with Argentina being the top laggard. Argentina equities market fell following uncertainty surrounding October's general elections and the current drought.

The only two countries to outperform the Latin American region were Mexico and Peru. Mexican stocks were driven upwards by positive macroeconomic indicators, with increases in retail sales, and services activity whilst Performance of Peru's stock market advanced by hopes that the country's political situation was improving.

In Africa, the Zimbabwe Stock Market (ZSE) led the gainers with a year-to-date return of 97.85% whilst Nairobi Securities Exchange led the laggards with a year-to-date loss of 11.54%.

HIGHLIGHTS OF THE INTERNATIONAL STOCK MARKET

INDEX	1 Month %	3 Month %	6 Month %	YTD %
US				
DOW JONES	2.6	0.6	5.3	3.5
S&P 500	1.6	2.7	8.6	9.2
NASDAQ	0.1	5.8	11.8	17.1
RUSSELL 2000	-1.8	-8.1	-3.5	0.9
UK				
FTSE All-Share	3.3	1.9	12.5	6.5
FTSE 100	3.4	2.6	13.0	7.1
FTSE 250	3.1	-1.2	10.2	4.1
EUROPE				
MSCI Europe	2.6	4.5	15.2	11.7
CAC 40	3.0	6.7	20.9	16.8
DAX	1.9	5.2	20.1	14.4
ASIA				
Hong Kong HS	-2.4	-8.5	36.2	1.0
China SE	1.6	2.1	15.0	7.6
Singapore Times	1.2	-1.4	7.8	2.0
Korean	1.0	3.3	11.0	12.1
Taiwan	-1.7	2.4	20.9	10.5

Source: S&P Global & Bloomberg

AFRICA BUSINESS MARKET NEWS
Kenya to secure another US\$1 billion (Sh136bn) loan from the World Bank

Kenya wants to secure another Sh136.5 billion loan from the World Bank as it seeks funds to boost its dwindling foreign exchange reserves that have taken a hit from the weakening shilling.

The board of the World Bank Group is scheduled to meet on May 26 to approve the \$1.0 billion (Sh136.5 billion to Kenya through its Development Policy Operation (DPO) framework.

Egypt's annual inflation reduces for 1st time in 10 months

According to the Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt's annual headline inflation dropped from 33.9% in March to 31.5 percent in April, recording its first monthly deceleration in 10 months.

Egypt is trying to contain inflation, which took a surging trajectory since the eruption of the conflict between Russia and Ukraine and was exacerbated by other factors, including the devaluation of the Egyptian pound, global supply chain challenges, and the lingering ramifications of the Covid-19 pandemic.

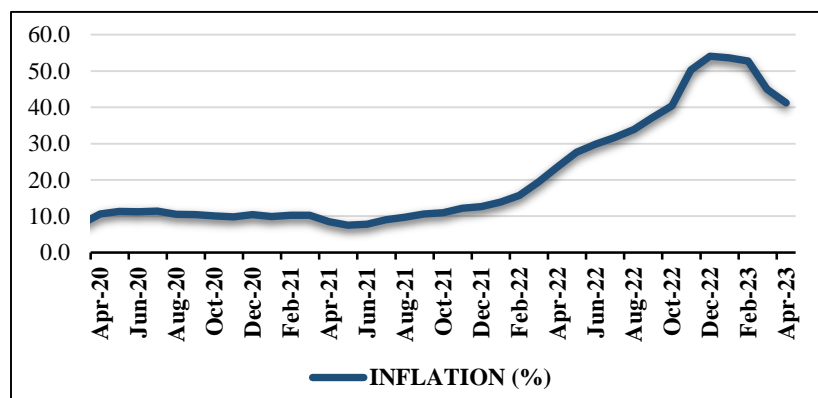
Egyptian Exchange to establish a Central Counterparty Clearing House (CCP) Company for Derivatives

EGX's Holding Company has submitted a request to the Financial Regulatory Authority (FRA) to establish a clearing house specialized in futures contracts. This comes in line with EGX's strategy of introducing new investment vehicles to cater to all investor categories which results in improving market efficiency and raising liquidity levels.

LOCAL BUSINESS / ECONOMIC NEWS

Inflation rate for April falls to 41.2%.

According to Ghana Statistical Service (GSS), inflation rate declined by 3.8 percentage point from 45.0 percent in March to 41.2 percent in April 2023 making it the fourth consecutive time since the start of the year.



GHANA MACROECONOMIC HIGHLIGHTS ENDING APRIL 2023.

Indicators	Curr.	Prev.	Chg.
GDP Growth Rate (%)	0.7	1.0	-0.3
GDP AGR (%)	2.9	4.7	-1.8
Inflation (%)	41.2	45.0	-3.8
Monetary Policy Rate (%)	29.5	28.0	+1.5
Gov't Debt to GDP (%)	*93.5	81.8	+11.7

Source: Trading Economics

CONCLUSION / RECOMMENDATION

Trades in Government of Ghana treasury bill securities are expected to remain high. We expect the government to meet its treasury bill auction targets in the month of May.

On the capital market, the stock market indices are still expected to exhibit mix performances. We expect the GSE-Composite Index to stay positive whilst the GSE-Financial Stock Index is also expected to remain in the negative trajectory in the month of May.

On the forex exchange market, we expect the value of the cedi to remain relatively stable against the US Dollar as we expect a board approval for the US\$3billion bailout from the International Monetary Fund (IMF).

We still advise investors to subscribe to 182 Day Bill and 364 Day Bill.

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